

JacksonSB466HouseTestimony.pdf

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Chair, Pensions

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TESTIMONY - SENATE BILL 466

STATE RETIREMENT AND PENSION SYSTEM – AMORTIZATION OF UNFUNDED LIABILITIES AND SURPLUSES

APPROPRIATIONS COMMITTEE

MARCH 29, 2023

Chair Barnes, Vice Chair Chang, and Committee Members:

Senate Bill 466 is a departmental bill that deals with amortization rates for the State Retirement and Pension System (SRPS).

Beginning on July 1, 2023, this legislation would enable the Board of Trustees of SRPS to set rates for all unfunded liabilities or surpluses accrued as of June 30, 2023. It would allow rate setting for any new unfunded liabilities or surpluses that have accrued from July 1 of the preceding fiscal year over:

- 1) 15 years for experience gains and losses
- 2) 25 years for the effect of changes in actuarial assumptions and methods
- 3) At least 10 years but not exceeding 15 years for the effect of any new legislation and
- 4) 5 years for accrued liability resulting from legislation providing for the early retirement of state employees

This is a very straightforward bill simply designed to help the SRPS better amortize funds and **I ask the committee for a favorable report of SB 466.**